Using the 'Best-fit' Approach to Investigate the Effects of Politico-economic and Social Barriers on SMEs' Internationalisation in an Emerging Country Context: Implications and fut...
Using the ‘Best-fit’ Approach to Investigate the Effects of Politico-economic and Social Barriers on SMEs’ Internationalization in an Emerging Country Context: Implications and future directions

By

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Abstract

The way this study has used the ‘best fit’ approach has facilitated the study of how three hypothesised constructs of political, economic and social barriers can deepen our knowledge of their impacts on SMEs’ internationalisation within a small developing country context. Based on a quantitative analysis of the three hypothesised barriers, we used the ‘best fit’ approach to measure the extent to which the SMEs’ internal variables like people, products, services and practices might best fit some of the people and non-people factors external to the businesses. The application of the ‘best-fit’ approach onto the three hypotheses (politics (H1), social (H2), economics (H3)), helped us in explaining the major social and politico-economic barriers faced by a developing economy’s (Bangladeshi) SMEs’ internationalisation despite previous literatures’ emphasis on the impacts of globalisation, market drivers or their oversight. Based on the findings we point to future research trajectory. This study used primary survey data from 212 Bangladeshi SMEs and successfully validated an HR Model by using Smart PLS3 software. The results from the hypotheses were used to produce the HR Model to help SMEs identify the significance of people and economic factors and propose these aspects for inclusion in the ‘best-fit’ approach, SME and globalisation research.

Keywords: Best-fit approach, SMEs, HR Model, developing country, internationalisation
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